

REPAYMENT OF REFUNDED MEMBER CONTRIBUTIONS

A.C.A. § 24-7-502(b)(4)(A) and A.C.A. § 24-7-406(d)

DEFINITION (Amended by Act 142 of 1997)

Repayment of refund means repayment to the System of contributions that have been withdrawn. Withdrawal of contributions forfeits contributory service credit. Service credit can be restored by repayment of a refund [A.C.A. § 24-7-502(b)(4)(A)].

RULES (Amended by Act 524 of 1995, Acts 142 and 206 of 1997, and Act 866 of 1999)

1. To be eligible to repay a refund, a person must be an active member of the System. A person who has received a refund may reestablish active membership by completing thirty (30) days or more during the last such re-employment.
2. To repay a refund requires repayment of the entire amount withdrawn, plus interest from the date of withdrawal to the date of final payment. If a member has received more than one refund, repayment must be made in inverse order. The most recent refund account must be paid in full before another refund account can be established for purchase.
3. The cost to repay a refund account is the entire amount withdrawn plus interest from the date of withdrawal to the date of final payment.
4. An agreement to complete payment shall exist upon acceptance of the initial payment.
5. Repayments of refunds or the purchase of service may be made by employer pick-up (tax-deferred deductions). See Rule No. 8-5 (Purchase Payment Rules).
6. ATRS will accept participant rollover contributions and/or direct rollovers of distributions for the repayment of refunds under certain circumstances. See Rule No. 8-4 (Rollover Acceptance and Distribution).
7. All rules pertaining to the minimum payments and payment methods are contained in Rule No. 8-5 (Purchase Payment Rules).

Amended: February 3, 2004
June 15, 2004
April 26, 2007